

DESIGNATION 1

CASE NAME / NO: 1000283530

CASE AGENT: S/A Trista Merz, IRS-CI

AUDIO RECORDING: 171204_0065.MP3

AUDIO MINUTE DURATION: 01:02:34

DATE: 12 / 04 / 2017

START TIME OF SESSION: 11 : 35 : AM

END TIME OF SESSION: 00 : 00 : 00

SUBJECT INFO: CARLOS KEPKE

DEVICE LOCATION: RECORDING DEVICE WITH SPECIAL AGENT

MATTER TYPE: CONCEALED RECORDING DEVICE (MP3 FILE)

MONITOR: N/A

SPEAKERS:

SPECIAL AGENT #6134, IRS-CI

CARLOS KEPKE

TRANSCRIBER: P & P Language Svcs.

Date: December 12, 2017

TRANSCRIPT EDIT 1: P & P Language Svcs.

Date: December 18, 2016

TRANSCRIPT EDIT 2: P & P Language Svcs.

Date: December 20, 2017

AGENT REVIEW: _____

Date: _____

P&P FINAL REVIEW: _____

Date: _____

DRAFT TRANSCRIPT

1 CARLOS KEPKE: Uh, in-...f-for example, uh-uhm, in Robert's ca-...uh-...in
2 Clint's case, uh, the grandmother //maybe...

3 U/C AGENT #6134: //Uh-huh...yup.

4 CARLOS KEPKE: And there's no benefits-t-no tax benefits accruing until that
5 grandmother dies.

6 U/C AGENT #6134: Uh-huh...

7 CARLOS KEPKE: So in your case, if somebody created the trust for you then
8 there would be no tax benefits until that person died, un-
9 unless that person happened to be a foreigner, uh-...a re-
10 relative-...a foreign relative which is not found in the
11 practice-...not everybody-...not everybody has a foreign
12 relative.

13 U/C AGENT #6134: Yeah, I don't-...I don't have any that I know, how 'bout
14 that? I'm sure I have 'em, I just don't know 'em.
15 //(CHUCKLES)

16 CARLOS KEPKE: //Yeah, then they prob'ly wouldn't-...if you found 'em they
17 prob'ly wouldn't create a trust for you.

18 U/C AGENT #6134: (CHUCKLES) They'd prob'ly take whatever money I ask
19 'em to take. //(CHUCKLES)

20 CARLOS KEPKE: //Yeah...but the ben-...the tax benefits are accr-...start
21 when-when you have somebody other than yourself
22 creating 'em...

DRAFT TRANSCRIPT

1 U/C AGENT #6134: //Okay.

2 CARLOS KEPKE: //...creating a trust, and that person dies or second, the tax

3 benefits kick in to your beneficiaries when you die

4 because...

5 U/C AGENT #6134: //Okay.

6 CARLOS KEPKE: ...because you were the party that created the trust and you

7 have died. You're-you're the grandmother so to speak, as

8 to the-they-they're your beneficiaries. So if you got

9 married, for example, and had kids, uh...and you whos-

10 ...were happily married, and, you know, you turn eighty

11 (80) years old, you drop dead, then the assets in that trust

12 would then be subject to-...they'd be able to be, uhm...take

13 advantage of the tax benefits that accrue, which basically

14 means there'd be no tax on interest income, no tax on

15 capital gains, no estate tax. There-there-there are a lotta

16 good tax benefits, but, unle-unless, uh, you know, unless

17 you got a-a-a grandmother that's-...or somebody that's, y-

18 you know, gonna die rather soon, hopefully...//or not

19 hopefully...

20 U/C AGENT #6134: //What, uh...I'm not dying anytime soon, at least I hope

21 not, but then again...

22 CARLOS KEPKE: //No?

DRAFT TRANSCRIPT

1 U/C AGENT #6134: //...you never know if you're gonna walk out, and a bus
2 hits ya... Let me ask you, what kind of relative would
3 qualify?
4 CARLOS KEPKE: Any kind.
5 U/C AGENT #6134: So it can be a cousin?
6 CARLOS KEPKE: Any kind.
7 U/C AGENT #6134: Huh...
8 CARLOS KEPKE: Any kind of a relative, b-by blood or marriage, since you're
9 not married, by blood.
10 U/C AGENT #6134: Okay, well, I do have somebody that's, I mean... (SNIFFS)
11 unfortunately, very unfortunately, I mean, they-they've got
12 cancer and it's not looking good. Uhm...I don't //know...
13 CARLOS KEPKE: //Yeah?
14 U/C AGENT #6134: ...how that works. I mean, uhm...this is all-...this is-...this-
15 I- so, any relative, they're gonna pass away – but how's
16 that work though? I-I don't understand the-the-the //trust
17 thing.
18 CARLOS KEPKE: //They create the trust.
19 U/C AGENT #6134: Okay.
20 CARLOS KEPKE: Instead of you, they create it. It gets a little more
21 complicated //that way.
22 U/C AGENT #6134: //Yeah.

DRAFT TRANSCRIPT

1 CARLOS KEPKE: Follow me on this one. (CHUCKLES)

2 U/C AGENT #6134: Go slow.

3 CARLOS KEPKE: //By using...

4 U/C AGENT #6134: //Go slow. (CHUCKLES)...

5 CARLOS KEPKE: //...by using a relative to create the trust...

6 U/C AGENT #6134: Okay. (SNIFFS)

7 CARLOS KEPKE: They create the trust, they have to fund the trust initially

8 with about seven (7) or eight-thousand (\$8,000.00) dollars.

9 U/C AGENT #6134: Okay.

10 CARLOS KEPKE: They have to fund it – a check or money has to come from

11 them.

12 U/C AGENT #6134: Okay.

13 CARLOS KEPKE: If they won't do that, and I mean, I've come across many

14 cases where, you know, you might have a cousin dyin' of

15 cancer but he's not gonna give you seventy-five-hundred

16 (\$7,500.00) bucks to start a trust.

17 U/C AGENT #6134: //(SIGHS)

18 CARLOS KEPKE: //Uh...i-if that's the case we'll-we'll discuss that at another

19 time. I prefer not to discuss that on the telephone how you

20 do that.

21 U/C AGENT #6134: Sounds good to me. Okay.

DRAFT TRANSCRIPT

1 CARLOS KEPKE: But-but what it-...what it does mean, it means once he's
2 created the trust then y-you no longer just simply transfer
3 assets to it. It, shuh-eh-th-th-that doesn't work because
4 anybody who transfers assets to a trust...a-a-a trust that's-
5 eh-...that's got potential tax advantages is also created-...is
6 also...

7 U/C AGENT #6134: //(SNIFFS)

8 CARLOS KEPKE: //...deemed to be a creator, which makes you-...and if
9 you're a creator you don't have the tax advantage. So, what
10 you have to do is you have to sell your assets to the trust.

11 U/C AGENT #6134: Okay. (SNIFFS)

12 CARLOS KEPKE: And-and that-...and that makes-...eh-...uh-...a little-...I
13 mean, I'll be happy to get into you on that with you if
14 you're really cons-...if you think this is a real possibility.
15 And it's-...it's significantly better, uh...because you-you-
16 you end up-to make it your example, two (2) million
17 dollars in the trust-uh-that is-that earns tax free.

18 U/C AGENT #6134: Woah...

19 CARLOS KEPKE: For example...

20 U/C AGENT #6134: Okay.

21 CARLOS KEPKE: Assuming your cousin's dead now, you gotta wait 'til your
22 cousin dies.

DESIGNATION 2

CASE NAME / NO: 1000283530

CASE AGENT: S/A Trista Merz, IRS-CI

AUDIO RECORDING: 171204_0065.MP3

AUDIO MINUTE DURATION: 01:02:34

DATE: 12 / 04 / 2017

START TIME OF SESSION: 11 : 35 : AM

END TIME OF SESSION: 00 : 00 : 00

SUBJECT INFO: CARLOS KEPKE

DEVICE LOCATION: RECORDING DEVICE WITH SPECIAL AGENT

MATTER TYPE: CONCEALED RECORDING DEVICE (MP3 FILE)

MONITOR: N/A

SPEAKERS:

SPECIAL AGENT #6134, IRS-CI

CARLOS KEPKE

TRANSCRIBER: P & P Language Svcs.

Date: December 12, 2017

TRANSCRIPT EDIT 1: P & P Language Svcs.

Date: December 18, 2016

TRANSCRIPT EDIT 2: P & P Language Svcs.

Date: December 20, 2017

AGENT REVIEW: _____

Date: _____

P&P FINAL REVIEW: _____

Date: _____

DRAFT TRANSCRIPT

1 you don't do it the way I tell you, uh, then-then the-the
2 whole trust is //(UNINTELLIGIBLE / STAMMERS)...
3 U/C AGENT #6134: //(SNIFFS)
4 CARLOS KEPKE: What you don't want is the Internal Revenue Service ever
5 to audit you and-and-and that would be, number one,
6 highly unusual. Less than one (1%) percent of the people
7 get-...uh-...and I've never had it. I have never had a client
8 audited.
9 U/C AGENT #6134: Wow.
10 CARLOS KEPKE: Eh-...
11 U/C AGENT #6134: 'Kay.
12 CARLOS KEPKE: A-a-as a result of my-of-of-of a trust. I mean, tons of
13 clients audited but not because of the creation of the trust.
14 Th-they just got audited, //you know?
15 U/C AGENT #6134: //Uh-huh...
16 CARLOS KEPKE: Whatever, because they're rich people usually. Anyways,
17 and the trust has never been challenged in any-any of my
18 clients. But, what you-...what you don't want is-is the-the
19 ability to the I-...for the IRS or anybody to go and say,
20 "your cousin didn't really create this trust. You created the
21 trust 'cause you gave him the money."
22 U/C AGENT #6134: Uh-huh...

DRAFT TRANSCRIPT

1 CARLOS KEPKE: And that makes you the creator. And that's...and that's
2 exactly the-...and therefore, you're the creator. All the tax
3 benefits are demolished, you've been making all these
4 gains and not paying taxes and you should've paid taxes on
5 it, and you're in big trouble because you didn't-...because
6 you are the creator and you didn't pay taxes on it. So, you
7 wanna be sure that you're not the creator. So the way, uh-...
8 the way you do this is-...eh-...is-...a-and if you're gonna do
9 it, you gotta do it as quick as you can. I'll tell you why in a
10 minute. Tsk-...let's say, and I'll just use an example, let's
11 say that your cousin, uhm, has a...car or a painting or a
12 piece of furniture or something that you like. You buy it
13 from him. Tsk-...and if you don't pay him seventy-five-
14 hundred (\$7,500.00) dollars. You pay him...you know,
15 eight-thousand-seven (\$8,007.00) dollars or whatever – not
16 the same amount of money that he's gonna create the trust
17 with, if you follow me.

18 U/C AGENT #6134: 'Kay...

19 CARLOS KEPKE: And you buy it and-and you take it, and you get-...I mean,
20 you give him a little some-...a little-...have a written
21 document that shows that you bought it.

22 (BEEPING SOUND OVERLAPS)

DRAFT TRANSCRIPT

1 CARLOS KEPKE: ...from him and you take possession, whatever it is – a car,
2 I...you know, (STAMMERS)...I mean, I'm just using an
3 example, you-you'll //have to figure out exactly
4 (UNINTELLIGIBLE)...

5 U/C AGENT #6134: //Yeah, yeah, I don't wanna take his car. I'm tryin' a think if
6 he has anything that's really... (SIGHS)

7 CARLOS KEPKE: Well, and you can't-...y-...and you can't just give him a
8 gift. Y-you can't-I'm givin' a g-I'm making you a gift of
9 ten-thousand (\$10,000.00) dollars and then, you know, one
10 week later, seventy-five-hundred (75,000) of it is put in
11 trust. That-that won't work.

12 U/C AGENT #6134: 'Kay.

13 CARLOS KEPKE: You wanna-...you wanna-...you wanna buy it-...you wanna
14 buy a tangible asset from him that you can get. Uhm...

15 U/C AGENT #6134: Huh...

16 CARLOS KEPKE: No, you can buy the car from him, but just, uh-...and-and
17 get an-and get the deed to the car but just don't take
18 possession of it 'til he dies.

19 U/C AGENT #6134: 'Kay.

20 CARLOS KEPKE: He can keep the car to keep usin' it but, you know, you-you
21 own it. I want-...the document shows you own it.

22 U/C AGENT #6134: //'Kay.

DRAFT TRANSCRIPT

1 CARLOS KEPKE: //You get-...you get the deed, the title to the car.

2 U/C AGENT #6134: Uh-huh...

3 CARLOS KEPKE: To use a car as an example. That-...I mean, that's the-

4 ...that's the way you transfer the money to him and-and-and

5 you don't transfer the exact same amount of money he's

6 gonna put in the trust which would be seventy-five-hundred

7 (\$7,500.00) dollars, prob'ly.

8 U/C AGENT #6134: 'Kay. Yeah, I'm tryin' to think of somethin' I can buy from

9 him that he'd wanna get rid of, uhm...that it's worth

10 anything. He didn't have a whole lot. Uhm...

11 CARLOS KEPKE: I have to leave that one in your lap.

12 U/C AGENT #6134: Yeah, okay.

13 CARLOS KEPKE: //Yeah.

14 U/C AGENT #6134: //Go ahead, keep explainin' it then.

15 CARLOS KEPKE: I'm sorry?

16 U/C AGENT #6134: The-...you were still explainin' this. So, I give him

17 whatever, ten (\$10,000.00) grand...

18 CARLOS KEPKE: That's it.

19 U/C AGENT #6134: (SNIFFS)

20 CARLOS KEPKE: That's it.

21 U/C AGENT #6134: Okay.

22 CARLOS KEPKE: So now-...so-...uh-...you've given him...

DESIGNATION 3

CASE NAME / NO: 1000283530

CASE AGENT: S/A Trista Merz, IRS-CI

AUDIO RECORDING: CCR_0001.WAV

AUDIO MINUTE DURATION: 02:45:52

DATE: 02 / 07 / 2018

START TIME OF SESSION: 08 : 45 : AM

END TIME OF SESSION: 11 : 30 : AM

SUBJECT INFO: CARLOS KEPKE
713-626-0612

DEVICE LOCATION: RECORDING DEVICE WITH SPECIAL AGENT

MATTER TYPE: CONCEALED RECORDING DEVICE (WMA FILE)

MONITOR: N/A

SPEAKERS:

SPECIAL AGENT BRIAN PHIL, IRS-CI

U/C AGENT #6134, IRS-CI

CARLOS KEPKE

EMIL (LNU)

MRS. KEPKE (WIFE OF CARLOS KEPKE)

TRANSCRIBER: P & P Language Svcs.

Date: February 12, 2018

TRANSCRIPT EDIT 1: P & P Language Svcs.

Date: March 05, 2018

TRANSCRIPT EDIT 2: P & P Language Svcs.

Date: March 12, 2018

AGENT REVIEW: _____

Date: _____

P&P FINAL REVIEW: _____

Date: _____

DRAFT TRANSCRIPT

1 EMIL (LNU): //Normally it's four (4) plus three (3).

2 U/C AGENT #6134: Okay.

3 EMIL (LNU): And it's one-time.

4 U/C AGENT #6134: Okay.

5 CARLOS KEPKE: What I was getting to about the four (4) plus three (3), the seven-

6 thousand (7,000)...

7 U/C AGENT #6134: Mmm-hmm?

8 CARLOS KEPKE: That has to come from Tom.

9 U/C AGENT #6134: Okay.

10 CARLOS KEPKE: I-i-it can't get...I mean, it has to be, uh, evidence by that...by a

11 check or a money order or somethin' from Tom.

12 U/C AGENT #6134: Okay.

13 CARLOS KEPKE: He's gotta create that. Are you gonna tell me Tom won't do that,

14 can't do that?

15 U/C AGENT #6134: He doesn't have a lot of money. That's the //problem.

16 CARLOS KEPKE: //Okay, here's what we gotta do.

17 U/C AGENT #6134: 'Kay.

18 CARLOS KEPKE: And the quicker the better.

19 U/C AGENT #6134: Yup.

20 CARLOS KEPKE: I-if you give him the money...

21 U/C AGENT #6134: Yeah, I can do that.

22 CARLOS KEPKE: No...

DRAFT TRANSCRIPT

1 U/C AGENT #6134: //Oh...

2 CARLOS KEPKE: //If you give him the money and he creates a trust then the law says

3 you're the creator and the deal doesn't work.

4 U/C AGENT #6134: Okay, //alright.

5 CARLOS KEPKE: //You are not to be the creator.

6 U/C AGENT #6134: 'Kay.

7 CARLOS KEPKE: So you can't give him the money. Now, the

8 (UNINTELLIGIBLE)...you can.

9 U/C AGENT #6134: Okay, no.

10 CARLOS KEPKE: But what you can do...is, uh...and I'm just gonna give you an

11 example. He's a-...you're a smart guy.

12 U/C AGENT #6134: //Huh... (CHUCKLES)

13 CARLOS KEPKE: //Uh, let's say-...let's say, uhm...let's say that Tom has a... Tom's

14 dyin'.

15 U/C AGENT #6134: //Yeah.

16 CARLOS KEPKE: //And Tom has a car, and so you buy it. And you, you know, you-

17 you're givin' him-...don't give him seven-thousand (\$7,000.00)

18 dollars for it.

19 U/C AGENT #6134: //'Kay.

20 CARLOS KEPKE: //Give him X dollars for it, like...

21 U/C AGENT #6134: 'Kay.

DRAFT TRANSCRIPT

1 CARLOS KEPKE: ...nine-thousand-one-hundred (9,100) or whatever and then...

2 Tom now has seven-thousand (\$7,000.00) dollars...

3 U/C AGENT #6134: 'Kay.

4 CARLOS KEPKE: ...through the trust, and (UNINTELLIGIBLE)...and-and, you

5 know, do the-...you really have to do it. Get the car. It's got a done

6 deal.

7 (SHUFFLING)

8 U/C AGENT #6134: //Right.

9 CARLOS KEPKE: //(UNINTELLIGIBLE)...or whatever, I-I don't know, but you

10 cannot give it to him.

11 U/C AGENT #6134: //'Kay.

12 CARLOS KEPKE: //Cannot.

13 U/C AGENT #6134: Tryin'a think of what he might have that...

14 CARLOS KEPKE: You'll figure somethin' out, I mean, I (UNINTELLIGIBLE)...

15 U/C AGENT #6134: I'll buy a chair from him or somethin'. (CHUCKLES)

16 CARLOS KEPKE: That happens.

17 U/C AGENT #6134: A folding chair.

18 CARLOS KEPKE: Just don't give him...

19 U/C AGENT #6134: //(CHUCKLES)

20 CARLOS KEPKE: //Don't-don't do it, where you give him exactly seven-thousand

21 (\$7,000.00) //dollars.

22 U/C AGENT #6134: //Right.

DRAFT TRANSCRIPT

1 CARLOS KEPKE: And the next day, seven-...he gives seven-thousand (\$7,000.00)

2 dollars away. I mean, that's-...

3 U/C AGENT #6134: What do-...//what do I-...just-just-...

4 CARLOS KEPKE: //(UNINTELLIGIBLE)...more immediately so there's a time lag.

5 U/C AGENT #6134: Okay.

6 CARLOS KEPKE: So when the time that happens and he creates the trust.

7 U/C AGENT #6134: Alright.

8 CARLOS KEPKE: So, say I, you know...I bought a car with him, but if I, you know,

9 buy a f-...uh, folding chair from him, do I give him a check for the

10 money or what do I do, give him cash, or how do I-...what do you

11 recommend? What do people //usually do?

12 CARLOS KEPKE: //I think, a lot them is a document that you sold him, whatever you

13 sold him...

14 U/C AGENT #6134: Okay.

15 CARLOS KEPKE: ...for an amount...

16 U/C AGENT #6134: //'Kay.

17 CARLOS KEPKE: //...in excess of seven-thousand (\$7,000.00) dollars.

18 U/C AGENT #6134: Alright, //we can do that.

19 CARLOS KEPKE: //And it's reasonable. I mean, you wouldn't-...you didn't buy a

20 //(UNINTELLIGIBLE)...

21 U/C AGENT #6134: //It's a nice folding chair. (CHUCKLES)

22 CARLOS KEPKE: You'll think of something.

DRAFT TRANSCRIPT

1 U/C AGENT #6134: Does he...do we just write a, like, write a note or what does he
2 write, you know, uh...// "Robert bought..."

3 CARLOS KEPKE: //An invoice. An invoice. //An invoice.

4 U/C AGENT #6134: //Okay, alright.

5 CARLOS KEPKE: Simple.

6 U/C AGENT #6134: Do you have an example of somethin' like that you can send me? I
7 mean, I don't-...I don't think //he has an invoi-...

8 CARLOS KEPKE: //Go-go to the store and (CHUCKLES) //buy stuff and see,
9 (UNINTELLIGIBLE)...

10 U/C AGENT #6134: //Buy-...alright. Yeah, I know, but they give you, like, a little
11 receipt or somethin'. //You know what I'm talkin' about. Alright.

12 CARLOS KEPKE: //(UNINTELLIGIBLE)...receipt with names on it.

13 U/C AGENT #6134: Okay...

14 CARLOS KEPKE: Mmm-hmm...

15 U/C AGENT #6134: Alright.

16 CARLOS KEPKE: That's just evidence. I mean, we file it, //file and...

17 U/C AGENT #6134: //Gotcha.

18 CARLOS KEPKE: ...if the government ever audits you, you would say, well, I've
19 never had a client audited.

20 U/C AGENT #6134: Okay, //that's gonna be my next question. (CHUCKLES) Right?
21 (CHUCKLES) Okay...

DRAFT TRANSCRIPT

1 CARLOS KEPKE: //I wouldn't-...but-but if I did, I would be able to say he didn't give
2 him the money.
3 U/C AGENT #6134: 'Kay.
4 CARLOS KEPKE: And I...and-and-and I'm not gonna say, "look, he didn't give him
5 the money, he bought a chair."
6 U/C AGENT #6134: Yeah.
7 CARLOS KEPKE: I'm just gonna say, "he didn't give him the money."
8 U/C AGENT #6134: Yup.
9 CARLOS KEPKE: But it's not gonna happen. I've never...(UNINTELLIGIBLE)...
10 U/C AGENT #6134: Perfect.
11 CARLOS KEPKE: But, you-you get the point. You cannot be the direct-...m-...you-
12 ch-...
13 U/C AGENT #6134: Gotcha, //yup.
14 CARLOS KEPKE: //Now, back to the point //at hand.
15 U/C AGENT #6134: //Okay.
16 CARLOS KEPKE: You-//(UNINTELLIGIBLE)...
17 U/C AGENT #6134: //So I give-...uh, I buy somethin' offa him for whatever amount –
18 nine-thousand (9,000), and then he takes his seven (7) of it, and
19 then he gives it to you?
20 CARLOS KEPKE: He gives-...//(UNINTELLIGIBLE)...
21 EMIL (LNU): //He pays me...
22 U/C AGENT #6134: //He pays you?

DESIGNATION 4

CASE NAME / NO: 1000283530

CASE AGENT: S/A Trista Merz, IRS-CI

AUDIO RECORDING: 180122_0098.MP3

AUDIO MINUTE DURATION: 00:48:37

DATE: 01 / 22 / 2018

START TIME OF SESSION: 12 : 30 : PM

END TIME OF SESSION: 00 : 00 : PM

SUBJECT INFO: CARLOS KEPKE

DEVICE LOCATION: RECORDING DEVICE WITH SPECIAL AGENT

MATTER TYPE: CONCEALED RECORDING DEVICE (WMA FILE)

MONITOR: N/A

SPEAKERS:

SPECIAL AGENT #6134, IRS-CI

CARLOS KEPKE

TRANSCRIBER: P & P Language Svcs.

Date: February 1, 2018

TRANSCRIPT EDIT 1: P & P Language Svcs.

Date: February 4, 2018

TRANSCRIPT EDIT 2: P & P Language Svcs.

Date: February 6, 2018

AGENT REVIEW: _____

Date: _____

P&P FINAL REVIEW: _____

Date: _____

DRAFT TRANSCRIPT

1 U/C AGENT #6134: Okay. Okay...no, that's go-...so then...and then all the...

2 uh...that's, I like that a lot. I know define-...now do-...do I

3 have to get...so when I do something with the money whose

4 approval do I have to get? The trustee, you, who-...who do I

5 go to, to say I wanna use //this money?

6 CARLOS KEPKE: //Me.

7 U/C AGENT #6134: You?

8 (PAUSE)

9 CARLOS KEPKE: You can go to me or the trustee...eh, typically you can, I

10 mean...you-you are...you are the, uh...well, first let me

11 explain, the trustees job...is simply to be the-...the...person

12 that keeps the trust alive by filing forms with the Belize

13 government.

14 U/C AGENT #6134: Mmm-hmm...

15 CARLOS KEPKE: They-they collect their fees and they do what they're told to

16 //do.

17 U/C AGENT #6134: //Mmm-hmm...

18 CARLOS KEPKE: They will take instructions from me...or they will take...

19 and/or they will take instructions from...uh...a person who's

20 known as the protector of the trust, that will be you. Ma-...

21 I'm-I'm assuming...

22 U/C AGENT #6134: Okay...

DRAFT TRANSCRIPT

1 CARLOS KEPKE: ...it's gonna be you.

2 U/C AGENT #6134: Yeah-yeah...sure. And it...uh, that...eh...and, uh...and...

3 that's, I mean...all they want to do is make their annual fees

4 and (STAMMERS) if-if you say, I need a...I'm thinking

5 about buying a house, the trust is gonna buy the house or

6 the...the company owned by the trust, you know, they-

7 they'll s-...they'll sign the documents necessary to buy the

8 house, they'll...they'll provide the money to go to the

9 seller...

10 U/C AGENT #6134: Mmm-hmm...

11 CARLOS KEPKE: ...uh...and-and-and technically they...uh, if-if-if you don't,

12 they're gonna charge you above their trustee fee. Above

13 their annual trustee fee for their time in doing that...those

14 kinds of things, but it's not very expensive, it's not like I

15 charge //for example.

16 U/C AGENT #6134: //Uh-huh...

17 CARLOS KEPKE: So...uh...I mean, uh...probably...a couple hundred dollars,

18 hours or something like that, and probably two or three

19 hours work to...prepare the documents to buy a house...I

20 mean, that's...last-last one I did was a ra-...uh, about two

21 months ago.

22 U/C AGENT #6134: Okay.

DESIGNATION 5

CASE NAME / NO: 1000283530

CASE AGENT: S/A Trista Merz, IRS-CI

AUDIO RECORDING: 180122_0098.MP3

AUDIO MINUTE DURATION: 00:48:37

DATE: 01 / 22 / 2018

START TIME OF SESSION: 12 : 30 : PM

END TIME OF SESSION: 00 : 00 : PM

SUBJECT INFO: CARLOS KEPKE

DEVICE LOCATION: RECORDING DEVICE WITH SPECIAL AGENT

MATTER TYPE: CONCEALED RECORDING DEVICE (WMA FILE)

MONITOR: N/A

SPEAKERS:

SPECIAL AGENT #6134, IRS-CI

CARLOS KEPKE

TRANSCRIBER: P & P Language Svcs.

Date: February 1, 2018

TRANSCRIPT EDIT 1: P & P Language Svcs.

Date: February 4, 2018

TRANSCRIPT EDIT 2: P & P Language Svcs.

Date: February 6, 2018

AGENT REVIEW: _____

Date: _____

P&P FINAL REVIEW: _____

Date: _____

DRAFT TRANSCRIPT

1 CARLOS KEPKE: Around thanksgiving, and I think, I think the bill was five
2 hundred dollars with...uh...they had some complications
3 with, uh...with the, uh...uh...with the seller and...and, eh...
4 add...add a little bit to it, but...it's not a big deal.

5 U/C AGENT #6134: Okay, that's not bad, all right, so then I would go to them
6 and say...or you would say, hey...I want to buy this, did
7 they ever give any trouble about that stuff? I don't want
8 them holding me up.

9 CARLOS KEPKE: Never ever have I had...

10 U/C AGENT #6134: Okay...

11 CARLOS KEPKE: ...trustee give any trouble...of the trustees I use, now, I have
12 used trustees before that...yes, they went...oh, well, I don't
13 think this was a good buy for the trust...

14 U/C AGENT #6134: (SCOFFING)

15 CARLOS KEPKE: I think he's paying too much or something like that.

16 U/C AGENT #6134: Okay.

17 CARLOS KEPKE: Uhm...I don't use those trustees anymore.

18 U/C AGENT #6134: (CHUCKLES)

19 CARLOS KEPKE: Typically the tru-...excuse me...trustees that do that...I have
20 found are-are...uh...the British trustees, those that are for-
21 for...eh...in other jurisdictions like the Channel Islands and
22 Jersey and Guernsey and...

DRAFT TRANSCRIPT

1 U/C AGENT #6134: Okay...

2 CARLOS KEPKE: Uh...out of man-...for some reason they feel they're...they

3 have a...tremendous fiduciary responsibility to protect the

4 money or...the Belize trustees and those in the Caribbean,

5 eh...do not feel that way all they want is their trust...

6 U/C AGENT #6134: (LAUGHS)

7 CARLOS KEPKE: ...look...

8 U/C AGENT #6134: I like them.

9 CARLOS KEPKE: Yeah.

10 U/C AGENT #6134: (CHUCKLES) That-that sounds like a good idea to me, if

11 you ask me. Tsk...(CHUCKLES)

12 CARLOS KEPKE: That's why I use 'em.

13 U/C AGENT #6134: Hey, you don't want, well...I mean, it's my freakin' money,

14 I don't want them to be, you know, I know on paper...it's

15 whatever I don't want them saying, oh, you can't buy that,

16 or you can't buy this, I mean...if you send 'em your fees,

17 just make it happen...people. So...

18 CARLOS KEPKE: But if it did happen...

19 U/C AGENT #6134: Okay.

20 CARLOS KEPKE: ...you-you as the protector have the ability to fire the

21 trustee...

22 U/C AGENT #6134: Oh...

DRAFT TRANSCRIPT

1 CARLOS KEPKE: ...immediately and replace him with someone else.

2 U/C AGENT #6134: Okay. //I like that.

3 CARLOS KEPKE: //That...that has never-ever happened...with any of my

4 trusts...uh...in the last...fifteen (15) or twenty (20) years

5 since I've started using, uh...Belize and Nevis and-and the

6 Caribbean trustees. I-eh...it did happen a couple times as I

7 mentioned with-with some of the, uh...offshore British

8 trustees and, well, they got fired.

9 U/C AGENT #6134: Shhh...yep-yep...play the game or else gone, man. That's it.

10 CARLOS KEPKE: Yeah.

11 U/C AGENT #6134: That's not cool. Okay. Uhm...wow, that's good to know

12 that then, okay. If, uhm...whenever I do, so like...do

13 they...do the trustees keep copies of everything or you just

14 keep copies of everything, like all my records and stuff like

15 that?

16 CARLOS KEPKE: The only thing the trustee's gonna keep a copy of is...uh...

17 the-they-they're gonna keep an original of the trust

18 document itself.

19 U/C AGENT #6134: Okay.

20 CARLOS KEPKE: And they're gonna be...and they're gonna keep the original

21 of the corp-...of the incorporation papers for the company.

22 U/C AGENT #6134: Okay...

DESIGNATION 6

CASE NAME / NO: 1000283530

CASE AGENT: S/A Trista Merz, IRS-CI

AUDIO RECORDING: CCR_0001.WAV

AUDIO MINUTE DURATION: 02:45:52

DATE: 02 / 07 / 2018

START TIME OF SESSION: 08 : 45 : AM

END TIME OF SESSION: 11 : 30 : AM

SUBJECT INFO: CARLOS KEPKE
713-626-0612

DEVICE LOCATION: RECORDING DEVICE WITH SPECIAL AGENT

MATTER TYPE: CONCEALED RECORDING DEVICE (WMA FILE)

MONITOR: N/A

SPEAKERS:

SPECIAL AGENT BRIAN PHIL, IRS-CI

U/C AGENT #6134, IRS-CI

CARLOS KEPKE

EMIL (LNU)

MRS. KEPKE (WIFE OF CARLOS KEPKE)

TRANSCRIBER: P & P Language Svcs.

Date: February 12, 2018

TRANSCRIPT EDIT 1: P & P Language Svcs.

Date: March 05, 2018

TRANSCRIPT EDIT 2: P & P Language Svcs.

Date: March 12, 2018

AGENT REVIEW: _____

Date: _____

P&P FINAL REVIEW: _____

Date: _____

DRAFT TRANSCRIPT

1 U/C AGENT #6134: 'Kay.

2 CARLOS KEPKE: //Who-...

3 U/C AGENT #6134: //Who's that then?

4 CARLOS KEPKE: Whoever you want.

5 U/C AGENT #6134: //To be-...

6 CARLOS KEPKE: //It could be Emil, you do it?

7 EMIL (LNU): We do it but there's a charge for it.

8 CARLOS KEPKE: Yeah, //I know, well, yeah.

9 EMIL (LNU): //So, if-if you...in other words, the signatory and the control of the

10 money...

11 U/C AGENT #6134: Yes.

12 EMIL (LNU): ...lies with you or who you say.

13 U/C AGENT #6134: That's what I was worried about, right? 'Cause no offense...

14 EMIL (LNU): No, I know //(UNINTELLIGIBLE)...

15 CARLOS KEPKE: //Most of my clients...

16 U/C AGENT #6134: //...you seem like nice guys, but, right, I'm handin' over, say, five-

17 million //dollars. I wanna make sure that it's stayin'...

18 CARLOS KEPKE: //No, no, no, (UNINTELLIGIBLE)...

19 U/C AGENT #6134: (CHUCKLES) Yeah, you like that, //right?

20 EMIL (LNU): //Yeah.

21 U/C AGENT #6134: Yeah, it's-... //(CHUCKLES)

22 CARLOS KEPKE: //Yeah, most clients (UNINTELLIGIBLE)...

DRAFT TRANSCRIPT

1 U/C AGENT #6134: //Okay.

2 CARLOS KEPKE: //You can con-...

3 U/C AGENT #6134: //That's-...

4 CARLOS KEPKE: //You control //the money.

5 EMIL (LNU): //Yeah.

6 U/C AGENT #6134: That's what I wanna //do – what most clients do.

7 EMIL (LNU): //But we-we don't want to be in control of your money.

8 U/C AGENT #6134: 'Kay, excellent.

9 EMIL (LNU): Banks fail, I don't know...stock market crashes...

10 U/C AGENT #6134: Yeah.

11 EMIL (LNU): You did it.

12 U/C AGENT #6134: 'Kay. No offense, I'd rather be in control //of my money too.

13 EMIL (LNU): //(UNINTELLIGIBLE)...

14 U/C AGENT #6134: Alright, so I never really-...I never lose control //of my money.

15 CARLOS KEPKE: //You never lose control.

16 EMIL (LNU): Yeah.

17 CARLOS KEPKE: You j-...you're just playin' with bank accounts actually. You don't

18 physic-...in-...the company-...the underlying company that we

19 created (UNINTELLIGIBLE)...we'll open a bank account and y-

20 you will-...where you now have your million dollars will go into

21 that bank account in the name of the ABC company.

22 U/C AGENT #6134: 'Kay.

DESIGNATION 7

CASE NAME / NO: 1000283530

CASE AGENT: S/A Trista Merz, IRS-CI

AUDIO RECORDING: CCR_0001.WAV

AUDIO MINUTE DURATION: 02:45:52

DATE: 02 / 07 / 2018

START TIME OF SESSION: 08 : 45 : AM

END TIME OF SESSION: 11 : 30 : AM

SUBJECT INFO: CARLOS KEPKE
713-626-0612

DEVICE LOCATION: RECORDING DEVICE WITH SPECIAL AGENT

MATTER TYPE: CONCEALED RECORDING DEVICE (WMA FILE)

MONITOR: N/A

SPEAKERS:

SPECIAL AGENT BRIAN PHIL, IRS-CI

U/C AGENT #6134, IRS-CI

CARLOS KEPKE

EMIL (LNU)

MRS. KEPKE (WIFE OF CARLOS KEPKE)

TRANSCRIBER: P & P Language Svcs.

Date: February 12, 2018

TRANSCRIPT EDIT 1: P & P Language Svcs.

Date: March 05, 2018

TRANSCRIPT EDIT 2: P & P Language Svcs.

Date: March 12, 2018

AGENT REVIEW: _____

Date: _____

P&P FINAL REVIEW: _____

Date: _____

DRAFT TRANSCRIPT

1 U/C AGENT #6134: //Mmm-hmm, mmm-hmm...

2 CARLOS KEPKE: Oh, yeah...

3 U/C AGENT #6134: Yeah, the guy who ate people.

4 EMIL (LNU): Yeah.

5 U/C AGENT #6134: Yeah.

6 EMIL (LNU): Yeah.

7 U/C AGENT #6134: Yeah.

8 CARLOS KEPKE: //(CHUCKLES)

9 U/C AGENT #6134: //(CHUCKLES)

10 EMIL (LNU): //That was-...but-...

11 CARLOS KEPKE: //Was he from Milwaukee?

12 EMIL (LNU): Yeah.

13 CARLOS KEPKE: I didn't know. No wonder I've never been there. (CHUCKLES)

14 U/C AGENT #6134: (LAUGHS) You're not missing anything there.

15 CARLOS KEPKE: So...

16 U/C AGENT #6134: Sorry, I mean, so I mean, do you mind, just, I know your time-

17 ...all-all of our time's valuable but I know you have to leave so I

18 guess just sorta explain it and-...uh, Carlos knows this – I mean,

19 you're not gonna talk down to me. Believe me. I-I know nothing.

20 CARLOS KEPKE: Okay.

21 U/C AGENT #6134: And this is all new to me and I apologize if I ask you to repeat

22 //stuff. It's just I don't understand any of it.

DRAFT TRANSCRIPT

1 EMIL (LNU): //No, well, ask me anything you want. I came here to meet //you,
2 and...
3 U/C AGENT #6134: //Uhm, yeah.
4 EMIL (LNU): ...invite- I-I-I had told Carlos, if you guys wanna come and see my
5 office and where-where the...
6 U/C AGENT #6134: //That'd be great.
7 EMIL (LNU): //... structure would be //based...
8 U/C AGENT #6134: //Okay.
9 EMIL (LNU): ... you're more than welcome any time.
10 U/C AGENT #6134: Okay, that'd be //great.
11 EMIL (LNU): //And... I worked with Carlos for, over fifteen (15) years...
12 U/C AGENT #6134: Wow...
13 EMIL (LNU): ...in structure and-...like this.
14 U/C AGENT #6134: 'Kay.
15 EMIL (LNU): We provide trustee and legal services. This is my brochure.
16 U/C AGENT #6134: Awesome, //thank you.
17 EMIL (LNU): //And, uhm... Arguelles and Company is my law firm.
18 U/C AGENT #6134: Okay.
19 EMIL (LNU): //(UNINTELLIGIBLE)...
20 EMIL (LNU): //And Orion is the sister company simply because that's the
21 licensed trustee provider. In Belize, lawyers can't advertise.
22 U/C AGENT #6134: Can or cannot?

DRAFT TRANSCRIPT

1 EMIL (LNU): Cannot.

2 U/C AGENT #6134: Okay.

3 EMIL (LNU): So, we-we have to have a separate company to, you know, have a

4 little flyer here and there and-and online presence.

5 U/C AGENT #6134: Okay.

6 EMIL (LNU): So, uhm...we don't touch any aspect of US tax or legal advice.

7 That's where Carlos comes in and we found the relationship to be,

8 uhm...com-complementary for...changes that have-have occurred

9 globally in-in-in the past few years, in terms of, uhm...new

10 requirements, new due diligence procedures and-and, uhm...you

11 know, it's a changing landscape...

12 U/C AGENT #6134: //Mmm-hmm...

13 EMIL (LNU): //...in terms of requirements and...filings and that's where...

14 CARLOS KEPKE: //Yeah.

15 EMIL (LNU): //...Carlos comes in with-... We-we-we provide the offshore

16 structure and service. He provides the, uhm...domicile US legal

17 advice and-and-and we work together. We take instructions,

18 largely, from Carlos in respect of the US clientele.

19 U/C AGENT #6134: 'Kay.

20 EMIL (LNU): Just so there aren't any, uhm...uhm...boxes that need to be ticked

21 on the- [phon.]...w-well, if-if you have any //specific-...

DESIGNATION 8

CASE NAME / NO: 1000283530

CASE AGENT: S/A Trista Merz, IRS-CI

AUDIO RECORDING: CCR_0001.WAV

AUDIO MINUTE DURATION: 02:45:52

DATE: 02 / 07 / 2018

START TIME OF SESSION: 08 : 45 : AM

END TIME OF SESSION: 11 : 30 : AM

SUBJECT INFO: CARLOS KEPKE
713-626-0612

DEVICE LOCATION: RECORDING DEVICE WITH SPECIAL AGENT

MATTER TYPE: CONCEALED RECORDING DEVICE (WMA FILE)

MONITOR: N/A

SPEAKERS:

SPECIAL AGENT BRIAN PHIL, IRS-CI

U/C AGENT #6134, IRS-CI

CARLOS KEPKE

EMIL (LNU)

MRS. KEPKE (WIFE OF CARLOS KEPKE)

TRANSCRIBER: P & P Language Svcs.

Date: February 12, 2018

TRANSCRIPT EDIT 1: P & P Language Svcs.

Date: March 05, 2018

TRANSCRIPT EDIT 2: P & P Language Svcs.

Date: March 12, 2018

AGENT REVIEW: _____

Date: _____

P&P FINAL REVIEW: _____

Date: _____

DRAFT TRANSCRIPT

1 EMIL (LNU): ...comfort.

2 U/C AGENT #6134: 'Kay.

3 EMIL (LNU): Carlos creates your trust in your circumstances...

4 U/C AGENT #6134: //'Kay.

5 EMIL (LNU): //Uhm, the-...again, uh-uh, we'll address (UNINTELLIGIBLE)...

6 if you wanna go Google this site and...

7 U/C AGENT #6134: No, no, no, this is //helpful.

8 EMIL (LNU): //(UNINTELLIGIBLE)...also.

9 U/C AGENT #6134: This is very //helpful.

10 EMIL (LNU): //It gives you some-some-some...

11 (SHUFFLING SOUNDS)

12 EMIL (LNU): ...you know, and ter-terminology //definitions...

13 U/C AGENT #6134: //Mmm-hmm...

14 EMIL (LNU): //...like, who is the beneficiary, who is the trustee and...

15 U/C AGENT #6134: Mmm-hmm...

16 EMIL (LNU): Uhm, it's nothing you have to memorize, it's nothing you have to

17 fill out.

18 U/C AGENT #6134: If you said that, this meeting would be over now if you wanted me

19 to memorize all this stuff.

20 CARLOS KEPKE: (CHUCKLES)

21 U/C AGENT #6134: That's why you guys make the big bucks, believe me. So, after it's

22 set up, do you even normally deal with the //cli-...yeah?

DRAFT TRANSCRIPT

1 EMIL (LNU): //(UNITNELLIGIBLE)... We keep in touch...

2 U/C AGENT #6134: Okay.

3 EMIL (LNU): Mmm...sending you a bill at-at minimal.

4 U/C AGENT #6134: //(LAUGHS)

5 EMIL (LNU): //In this case... //In this case...

6 U/C AGENT #6134: //You are an attorney.

7 EMIL (LNU): In this case, routing you via Carlos, we keep everything flowing

8 through him.

9 U/C AGENT #6134: 'Kay.

10 EMIL (LNU): We would keep in contact with you if you walked into our office in

11 Belize or via online.

12 U/C AGENT #6134: 'Kay.

13 EMIL (LNU): In this case, to make sure everything is...in compliance...

14 U/C AGENT #6134: Mmm-hmm...

15 EMIL (LNU): ...we prefer all communication and correspondence via Carlos,

16 who then... We don't want to appear to be...engaged in the

17 practice of law directly with giving advice to U.S. persons.

18 U/C AGENT #6134: Gotcha.

19 CARLOS KEPKE: Well, //also...

20 EMIL (LNU): //Plus, you-...you're-you're free to call us any time to ask

21 anything.

22 U/C AGENT #6134: 'Kay.

DESIGNATION 9

CASE NAME / NO: 1000283530

CASE AGENT: S/A Trista Merz, IRS-CI

AUDIO RECORDING: 180817_0276

AUDIO MINUTE DURATION: 00:22:09

DATE: 08 / 17 / 2018

START TIME OF SESSION: 11 : 55 : AM

END TIME OF SESSION: 00 : 00 : AM

SUBJECT INFO: CARLOS KEPKE
713-626-0612

DEVICE LOCATION: RECORDING DEVICE WITH SPECIAL AGENT

MATTER TYPE: CONCEALED RECORDING DEVICE (WMA FILE)

MONITOR: N/A

SPEAKERS:

SPECIAL AGENT #6134, IRS-CI

CARLOS KEPKE

TRANSCRIBER: P & P Language Svcs.

Date: August 28, 2018

TRANSCRIPT EDIT 1: P & P Language Svcs.

Date: September 8, 2018

TRANSCRIPT EDIT 2: P & P Language Svcs.

Date: September 9, 2018

AGENT REVIEW: _____

Date: _____

P&P FINAL REVIEW: _____

Date: _____

DRAFT TRANSCRIPT

1 (AUDIO RECORDING 1 – 180817_0276 (22.09 Min))

2 U/C AGENT #6134: This is six-one-three-four (6134). Today is August seventeenth
 3 (17th), two-thousand-eighteen (2018). The time is approximately
 4 eleven-fifty-five (11:55) a.m., Eastern Standard Time. Preparing to
 5 make a consensually monitored phone call to Carlos Kepke at
 6 seven-one-three, six-two-six, zero-six-one-two (713-626-0612).
 7 (SNIFFS)

8 (TELEPHONE RINGS)

9 CARLOS KEPKE: Hello?

10 U/C AGENT #6134: Carlos, what's shakin'?

11 CARLOS KEPKE: Hey, Robert, how are you doin'?

12 U/C AGENT #6134: I'm doin' great, buddy, how 'bout yourself?

13 CARLOS KEPKE: Good.

14 U/C AGENT #6134: What's going on down in Houston, anything good?

15 CARLOS KEPKE: Hot heat.

16 U/C AGENT #6134: Hot? (LAUGHS) Wet heat or dry heat today, Carlos?

17 CARLOS KEPKE: Totally dry.

18 U/C AGENT #6134: Uh, that's good then, not too bad.

19 CARLOS KEPKE: I've been thinkin' about somethin', Robert.

20 U/C AGENT #6134: Yeah?

21 CARLOS KEPKE: I'm, uh...the IRS is gettin' a little more worried about, uh...look-
 22 lookin' a little more closely, I'ma say, in some cases I've heard

DRAFT TRANSCRIPT

1 about-about the way the trust has been created, and I'm not real-
2 I'm not as comfortable as I'd like to be with the, uh...with the way
3 we did this with Tom.
4 U/C AGENT #6134: 'Kay.
5 CARLOS KEPKE: No, there wasn't any other way to do it. Tom didn't have money,
6 you know what I //mean?
7 U/C AGENT #6134: //Yeah.
8 CARLOS KEPKE: Uhm...so what I'm gonna suggest to you is just we go back to
9 where you initially came in and we start a t-...you main-...you
10 main-...primarily came in to see me about takin' your money and
11 doin' asset protection.
12 U/C AGENT #6134: Sure.
13 CARLOS KEPKE: Uhm...and I started my usual harangue about how, well, you know,
14 if we get some f-...some, uh...foreigner or relative to help you then
15 you can get some tax benefits.
16 U/C AGENT #6134: Mmm-hmm...
17 CARLOS KEPKE: Uh, I'm-I'm not comfortable, I damn-...the last thing I wanna do is
18 get you in trouble.
19 U/C AGENT #6134: Mmm... //I'm not lookin' to get in trouble...
20 CARLOS KEPKE: //(UNINTELLIGIBLE)...
21 U/C AGENT #6134: ...either, Carlos. I told you that //before. (CHUCKLES)

DRAFT TRANSCRIPT

1 CARLOS KEPKE: //I-I worry about that with all my clients. So, I'm gonna
2 recommend that we just convert the trust – which, that doesn't
3 mean anything, I'll-I'll tell you what it really means – to an asset
4 protection trust like it were-...like you wanted when you come in.
5 U/C AGENT #6134: 'Kay.
6 CARLOS KEPKE: A-and all that means is you-...is that now, when you're ready to
7 fund it, you just directly fund it yourself. We'd-...we don't need the
8 partnership. I intend to refund your money on the partnership
9 because we-we only needed that when we were gonna do it at a tax
10 savings type trust. I don't need it for an asset protection trust so
11 that's money you gave me that you don't, uh...you don't, uh...you
12 didn't need to give me now that I've changed my mind for-...t-to
13 make this suggestion to you, uh...so I'll-...what I'll do is I'll refund
14 or credit you that, however it turns out. So, it-...because it
15 simplifies the-the thing so very, very easily. Now, all you do now
16 is transfer the money for, uh...put the money in a Forbes bank
17 account and you're done – that's it – finished.
18 U/C AGENT #6134: I-I'm-I'm, oh, man, I'm confused. What-what-what are we doin'
19 now?
20 CARLOS KEPKE: Well, no-...what-what we were going to do, remember, was we-we
21 [REDACTED].
22 U/C AGENT #6134: Yup.

DESIGNATION 10

CASE NAME / NO: 1000283530

CASE AGENT: S/A Trista Merz, IRS-CI

AUDIO RECORDING: 180817_0276

AUDIO MINUTE DURATION: 00:22:09

DATE: 08 / 17 / 2018

START TIME OF SESSION: 11 : 55 : AM

END TIME OF SESSION: 00 : 00 : AM

SUBJECT INFO: CARLOS KEPKE
713-626-0612

DEVICE LOCATION: RECORDING DEVICE WITH SPECIAL AGENT

MATTER TYPE: CONCEALED RECORDING DEVICE (WMA FILE)

MONITOR: N/A

SPEAKERS:

SPECIAL AGENT #6134, IRS-CI

CARLOS KEPKE

TRANSCRIBER: P & P Language Svcs.

Date: August 28, 2018

TRANSCRIPT EDIT 1: P & P Language Svcs.

Date: September 8, 2018

TRANSCRIPT EDIT 2: P & P Language Svcs.

Date: September 9, 2018

AGENT REVIEW: _____

Date: _____

P&P FINAL REVIEW: _____

Date: _____

DRAFT TRANSCRIPT

1 CARLOS KEPKE: And then we were gonna sell the partnership interest to the trust
2 and then put the money from the partnership into Forbes.

3 U/C AGENT #6134: Mmm-hmm...

4 CARLOS KEPKE: Okay, the reason we did that is because that would, uh...that would
5 avoid you making a direct contribution to the trust and it would-
6 could protect the tax benefits.

7 U/C AGENT #6134: Yeah, and make a...

8 CARLOS KEPKE: //Uh...

9 U/C AGENT #6134: //That'd save a boatload on taxes, yup.

10 CARLOS KEPKE: Yeah, //(UNINTELLIGIBLE)...

11 U/C AGENT #6134: //Yeah.

12 CARLOS KEPKE: Since I'm... 'cause, since I'm concerned that-that...

13 (ZIPPER SOUND)

14 CARLOS KEPKE: ...that the I...what the IRS is...with somewhat new approach to
15 examining the manner in which these foreign trusts that are-...that
16 are done for tax purposes are created, I'm not sure that yours is as
17 strong as I'd like it to be and I...last thing I wanna do is, you go
18 down the line five (5) years and IRS comes up and says, "hey, you
19 don't-...you don't-...you don't have a tax protected trust. You owe
20 all this money." So, I'm suggesting for you-...for your benefit that
21 we just e-eliminate the tax planning aspect...

22 U/C AGENT #6134: //Oh...

DRAFT TRANSCRIPT

1 CARLOS KEPKE: //...which means we don't need the partnership, we just need an
2 asset protection trust, which we have.

3 U/C AGENT #6134: Mmm-hmm...

4 CARLOS KEPKE: Tom's is an asset protection trust as well as a tax. So-so, all you
5 need to do is-is forget about using the partnership because that's
6 what we did it-...needed to do a tax trust. But now that we're not
7 gonna do a tax trust, assuming we're not, you don't need the
8 partnership so you can just take whatever assets you want and put
9 'em in the trust directly yourself. So that-...so th-that makes you-
10 that makes you a creator of the trust for tax purposes...

11 U/C AGENT #6134: //Uh-huh?

12 CARLOS KEPKE: //... 'cause you made a direct contribution to it and it takes Tom out
13 of the picture.

14 U/C AGENT #6134: //Yeah, but...

15 CARLOS KEPKE: //Takes the way he created it out of the picture. Doesn't matter
16 how he created it anymore.

17 U/C AGENT #6134: Yeah, but if we already have all that set up, right, like, everything's
18 good to go now, I mean, that's one of the...

19 CARLOS KEPKE: //Eh-eh...

20 U/C AGENT #6134: //...main reasons we did it, why not just-...I mean, what's changed,
21 right? Everything's-...this is the way you've always done it.

DRAFT TRANSCRIPT

1 Nothin's- right, like, what's this different view or whatever you're
2 talkin' about?

3 CARLOS KEPKE: Well, I-I mean, I'm-I'm-I'm worried about, as I said, I'm worried
4 about the-the fact that, t-...uh, Tom didn't have anything and you-
5 you-...what we gave him, you gave him some money to buy all of
6 his furnishings.

7 U/C AGENT #6134: Yeah.

8 CARLOS KEPKE: A-a-and then, you know, o-one month later, uh...Tom suddenly has
9 money and puts it in a trust.

10 U/C AGENT #6134: Sure.

11 CARLOS KEPKE: Now, I mean, I'm, uh-uh, normally I would say that's fine.

12 U/C AGENT #6134: // 'Kay.

13 CARLOS KEPKE: // Now, normally and-and-...but, what I've seen now, and-and I get
14 these-...I get this 'cause I go to seminars that put people that do
15 what I'm doin' ...

16 U/C AGENT #6134: Oh, okay.

17 CARLOS KEPKE: ...and what I'm hearing, and-and specifically from two (2)
18 separate lawyers is that the IRS now, when they-...when they get a-
19 when they get a-a, uh-uh, a tax tr-...a tax benefit trust like yours
20 would be, they start looking back as to what-what-...how was it
21 created.

22 U/C AGENT #6134: Mmm-hmm...

DRAFT TRANSCRIPT

1 CARLOS KEPKE: And-and, you know, and-and are we sure that the person that
2 created, put his own money in it, and then, you know, and not that
3 it was , uh...given to him or anything like that and I think-...I think
4 your situation is-was- is-...was as strong as we could do at the time,
5 but I don't think-...I just don't feel like it's strong enough now.

6 U/C AGENT #6134: //Mmm-hmm...

7 CARLOS KEPKE: //So, I'm- I-I'm...

8 U/C AGENT #6134: //Okay.

9 CARLOS KEPKE: //I'm assuming that you still want asset protection for your money
10 because that's what you came to me for in the first place.

11 U/C AGENT #6134: Yeah, I mean, I-I mean, I do, I just, I guess... (SIGHS) //you
12 know...

13 CARLOS KEPKE: //Well, I suppose...and tell you about the //tax benefits.

14 U/C AGENT #6134: //(LAUGHS) That's what I'm lookin' at here, Carlos, I mean...
15 (CHUCKLES)

16 CARLOS KEPKE: I know.

17 U/C AGENT #6134: I'm lookin' at a few hundred-thousand dollars in savings and
18 thinkin', alright, you know this is good and...

19 CARLOS KEPKE: It-it...

20 U/C AGENT #6134: //...we went through...

DESIGNATION 11

CASE NAME / NO: 1000283530

CASE AGENT: S/A Trista Merz, IRS-CI

AUDIO RECORDING: 180817_0276

AUDIO MINUTE DURATION: 00:22:09

DATE: 08 / 17 / 2018

START TIME OF SESSION: 11 : 55 : AM

END TIME OF SESSION: 00 : 00 : AM

SUBJECT INFO: CARLOS KEPKE
713-626-0612

DEVICE LOCATION: RECORDING DEVICE WITH SPECIAL AGENT

MATTER TYPE: CONCEALED RECORDING DEVICE (WMA FILE)

MONITOR: N/A

SPEAKERS:

SPECIAL AGENT #6134, IRS-CI

CARLOS KEPKE

TRANSCRIBER: P & P Language Svcs.

Date: August 28, 2018

TRANSCRIPT EDIT 1: P & P Language Svcs.

Date: September 8, 2018

TRANSCRIPT EDIT 2: P & P Language Svcs.

Date: September 9, 2018

AGENT REVIEW: _____

Date: _____

P&P FINAL REVIEW: _____

Date: _____

DRAFT TRANSCRIPT

1 CARLOS KEPKE: //...the tax benefits.

2 U/C AGENT #6134: I mean, this is based that these other guy, uh...these other guys,
3 like, attorneys and stuff telling you not to do this, you're sayin'?

4 CARLOS KEPKE: Mmm-hmm, uh...yeah, I mean, I //(UNINTELLIGIBLE)...

5 U/C AGENT #6134: //Okay.

6 CARLOS KEPKE: It's not worth-...it-...Robert, it is not worth you goin' - 'cause if- the
7 problem is, so here's the situation, and these three (3) guys have
8 had it - uh...they had not said the IRS is gonna come to you now,
9 it- they're gonna come to you on this, if they do, six (6) years from
10 now when you //saved..

11 U/C AGENT #6134: //(PUFFS)

12 CARLOS KEPKE: ...so many thousands of dollars in taxes, you think...

13 U/C AGENT #6134: Mmm-hmm...

14 CARLOS KEPKE: ...and they're gonna-...they're gonna say no. You don't-you-you-
15 we don't like the way that trust was created, we think it's-...your
16 money-...you should've been- you should've been payin' tax on
17 that money from day one (1)...

18 U/C AGENT #6134: Mmm-hmm...

19 CARLOS KEPKE: ...and here you are, and here's a penalty.

20 U/C AGENT #6134: Mmm...//no, I don't want that. I definitely don't want that.

21 CARLOS KEPKE: //And they get-...it-it's not worth-...it's not worth the chance, I
22 mean.

DESIGNATION 12

CASE NAME / NO: 1000283530

CASE AGENT: S/A Trista Merz, IRS-CI

AUDIO RECORDING: 180817_0276

AUDIO MINUTE DURATION: 00:22:09

DATE: 08 / 17 / 2018

START TIME OF SESSION: 11 : 55 : AM

END TIME OF SESSION: 00 : 00 : AM

SUBJECT INFO: CARLOS KEPKE
713-626-0612

DEVICE LOCATION: RECORDING DEVICE WITH SPECIAL AGENT

MATTER TYPE: CONCEALED RECORDING DEVICE (WMA FILE)

MONITOR: N/A

SPEAKERS:

SPECIAL AGENT #6134, IRS-CI

CARLOS KEPKE

TRANSCRIBER: P & P Language Svcs.

Date: August 28, 2018

TRANSCRIPT EDIT 1: P & P Language Svcs.

Date: September 8, 2018

TRANSCRIPT EDIT 2: P & P Language Svcs.

Date: September 9, 2018

AGENT REVIEW: _____

Date: _____

P&P FINAL REVIEW: _____

Date: _____

DRAFT TRANSCRIPT

1 U/C AGENT #6134: Your guys or //you mean...

2 CARLOS KEPKE: //I...

3 U/C AGENT #6134: ...this other guy, these other attorneys people?

4 CARLOS KEPKE: No, not-n-n-no, not my clients.

5 U/C AGENT #6134: //Oh, okay, whew...

6 CARLOS KEPKE: //Uh-uh...they're not-...these-these other guys' clients.

7 U/C AGENT #6134: Okay.

8 CARLOS KEPKE: But-but I'm got-...but I've got one of the trust of some guy's that's

9 been-been around about ten (10) years.

10 U/C AGENT #6134: Oh, my //goodness.

11 CARLOS KEPKE: //So, I'ma...I'm gonna change-...I wanna change

12 (UNINTELLIGIBLE) to all of 'em.

13 U/C AGENT #6134: Wow, //yeah.

14 CARLOS KEPKE: //Try to, I mean, you know, they-they may not do it, but, I mean,

15 I'm gonna-...if they don't I'm gonna say-...uh, you know, like I

16 was saying, I'm-...I warned you.

17 U/C AGENT #6134: Yeah, yup, yup, 'cause you never know. If they're lookin' at those

18 attorneys, you never know when they come back around and start

19 lookin' at other //people...

20 CARLOS KEPKE: //Yeah.

21 U/C AGENT #6134: //...like you or anybody, so...

22 CARLOS KEPKE: Well, //every now and then...

DRAFT TRANSCRIPT

1 U/C AGENT #6134: //...that's, uh...

2 CARLOS KEPKE: ...and I-I been doin' this a long time. Every now and then the

3 government, the IRS says, "you know, there's so damn much

4 money being saved by taxpayers offshore..."

5 U/C AGENT #6134: //Mmm-hmm...

6 CARLOS KEPKE: //...so they just-s-a-a-appoint a whole bunch of new agents and

7 they start lookin' at-...they start lookin' at offshore trusts.

8 U/C AGENT #6134: Mmm-hmm...

9 CARLOS KEPKE: And I-I'm not sayin' that we are in that wave right now, but, uh-

10 uh, somethin' has keyed them into-into starting looking at the,

11 uh...a-at the creation. Most-most of the time they don't look at the

12 creation, how it was created.

13 U/C AGENT #6134: Mmm-hmm, //yup.

14 CARLOS KEPKE: //But now their-their folks know-...I think they're gettin' smarter,

15 really //is one of the problems.

16 U/C AGENT #6134: //(INHALES SHARPLY) Gosh, nah, that's scary. I mean, are all

17 three of those guys-...are they-...all have people that are-...they're

18 lookin' at or just, like, one (1) or two (2) of 'em?

19 CARLOS KEPKE: Uh, just e-each one of 'em has one (1).

20 U/C AGENT #6134: Oh, my gosh.

21 CARLOS KEPKE: But they got-...but they got...each one of 'ems got a-a number of

22 clients that have done it, so they're...